

MINTZ LEVIN

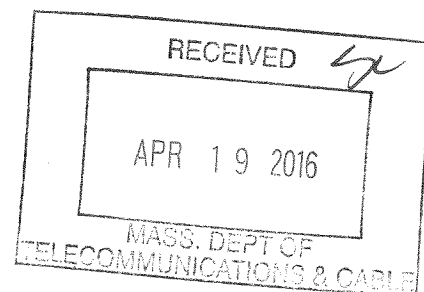
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April 13, 2016

E-MAIL & U.S. POSTAL MAIL

Sean M. Carroll
Hearing Officer
Department of Telecommunications and Cable
Commonwealth of Massachusetts
1000 Washington Street, Suite 820
Boston, MA 02118



Dear Mr. Carroll:

I am writing on behalf of Time Warner Cable Inc. (TWC) to provide certain additional information regarding the settlement proposal discussed with the DTC staff on March 30, 2016. In addition, in order to allow the settlement negotiations to proceed without interruption, TWC respectfully requests a further extension until May 25, 2016 of the current April 18, 2016 deadline for filing an appeal of the DTC's November 2015 rate order and for filing a refund plan based on that order.

2015 Maximum Permitted Rate Recalculation

During the March 30, 2016 meeting, a question arose as to whether the rates charged by TWC for its "Converter 2" and "Remote 1" during the 2015 rate year exceeded the maximum permitted Form 1205 rates for those devices as recalculated using the revised Hourly Service Charge prescribed by the DTC in its November 2015 order. TWC believes that the source of the confusion over this question was the use by the DTC staff of the original Form 1205 filed by TWC on November 26, 2014 as the basis for the recalculation, whereas TWC used the revised Form 1205 filed on August 31, 2015 in recalculating the Converter 2 and Remote 1 maximum permitted rates. Because the DTC's November 2015 order references and relies on the revised August 2015 Form 1205, TWC submits that its reliance on the information on that form is appropriate.

Using the information on the August 2015 revised Form 1205, but substituting the DTC-prescribed Hourly Service Charge of \$66.72 for the Hourly Service Charge of \$103.44 used by TWC on that form, TWC calculates the maximum permitted Converter 2 and Remote 1 rates as \$7.22 and \$0.33 respectively. These maximum permitted rates are higher than or equal to the actual rates of \$6.65 (Converter 2) and \$0.33 (Remote 1) charged by TWC during the 2015 rate year and thus no additional refund liability accrued for Converter 2 and Remote 1 during the 2015 rate year. TWC's calculations are shown in the attachment to this letter.

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

BOSTON | LONDON | LOS ANGELES | NEW YORK | SAN DIEGO | SAN FRANCISCO | STAMFORD | WASHINGTON

Refund Settlement Proposal Estimate

During the March 30, 2016 meeting, DTC staff also requested that TWC provide an estimate of the total amount of refunds that would be paid to subscribers under TWC's refund settlement proposal. That proposal called for each basic-only subscriber to be given (i) a monthly credit of \$1.15 per month (the amount of the alleged Converter 2 and Remote 2 overcharges during the 2014 rate year) for twelve months (whether or not the subscriber currently has a converter) and (ii) a monthly credit of \$2.39 (one-half of the amount of the alleged Navigator/Guide and Additional Outlet Service Charge overcharge during the 2014 and 2015 rate years) for 24 months. Based on the most recent data available, TWC has 3,175 basic-only subscribers in the relevant communities (which do not include North Adams or Clarksburg). While the actual amount paid in refunds will vary if the number of basic-only subscribers increases or decreases, the current estimate of total refund liability of **\$225,933**, calculated as follows:

Months 1-12:

$$3,175 \times (\$1.15 + \$2.39) \times 12 = \mathbf{\$134,874}$$

Months 13-24:

$$3,175 \times \$2.39 \times 12 = \mathbf{\$91,059}$$

TWC looks forward to further discussions regarding its settlement proposal. In the meantime, as mentioned above, TWC requests a further extension of the April 18, 2016 deadline for filing an appeal of the 2015 rate order and a refund plan based on that order.

Sincerely,



Seth A. Davidson

Counsel to Time Warner Cable Inc.

cc (via email):

Sandra Merrick
Lindsay DeRoche
Michael Mael
Sara Clark (*E-Mail & U.S. Postal Mail*)
John Fogarty
Christine Dawson
Melinda Poore
Patricia Patterson

Attachment

STEP D. Charges for leased Converter Boxes		b	
(Calculate separately for each significantly different type)		Converter 2	
18.	Total Maintenance/Service Hours [Corresponding column from Schedule C, Line B]	541,875	a
19.	HSC [Line 7]	66.72	b
20.	Total Maintenance/Service Cost [Line 18 x 19]	36,153,900	a * b = c
21.	Annual Capital Costs [Corresponding column from Schedule C, Line K]	42,643,828	d
22.	Total Cost of Converter [Line 20+ Line 21]	78,797,728	c + d = e
23.	Number of Units in Service [Corresponding column from Schedule C, Line C]	909,552	f
24.	Unit Cost [Line 22/Line 23]	86.63	e / f = g
25.	Rate per Month [Line 24/(12)]	7.22	g / 12

STEP C. Charges for leased Remotes		a	
(Calculate separately for each significantly different type)		Remote 1	
10.	Total Maintenance/Service Hours [Corresponding column from Schedule C, Line B]	25,095	a
11.	HSC [Line 7]	66.72	b
12.	Total Maintenance/Service Cost [Line 10 x Line 11]	1,674,338	a * b = c
13.	Annual Capital Costs [Corresponding column from Schedule C, Line K]	2,417,121	d
14.	Total Cost of Remote [Line 12 + Line 13]	4,091,460	c + d = e
15.	Number of Units in Service [Corresponding column from Schedule C, Line C]	1,027,757	f
16.	Unit Cost [Line 14/Line 15]	3.98	e / f = g
17.	Rate per Month [Line 16/(12)]	0.33	g / 12